
1) What is ARRA?

ARRA was signed into law by President Obama on February 17, 2009. This stimulus bill includes a temporary 65% subsidy of COBRA insurance premiums for eligible individuals.

2) Who is eligible for the ARRA subsidy?

Eligible individuals must meet **all three** of the following requirements:

(a) You have been involuntarily terminated from employment with the Getty between September 1, 2008 and December 31, 2009 and
(b) You have become eligible for COBRA subsequent to that involuntary termination and
(c) You have not become eligible for other group health insurance coverage or Medicare since your original termination date.

3) How will I know if I am eligible?

HR Benefits has re-notified all individuals, who terminated employment and subsequently lost health insurance coverage between September 1, 2008 and February 16, 2009, of the ARRA COBRA subsidy eligibility criteria and the enrollment process. Anyone terminating employment after February 17, 2009, will receive a COBRA notice which includes the ARRA subsidy criteria and an ARRA Enrollment Form. Upon receipt of the completed ARRA Enrollment Form, HR Benefits will send the individual a letter confirming enrollment eligibility or confirming ARRA subsidy ineligibility.

4) Does this premium reduction apply to my dependent(s) premium as well?

Yes, dependents covered by your health insurance plan at the time coverage ended are considered qualified beneficiaries eligible for COBRA. However, the subsidy does not apply to same-sex domestic partners or other dependents not qualified for COBRA benefits under federal law.

5) When will the premium reduction begin?

For eligible individuals terminating coverage after February 17, 2009, the premium reduction will generally be applied on the 1st day of COBRA eligibility. For eligible individuals who terminated coverage prior to February 17, 2009, the subsidy will be applied effective March 1, 2009.

6) How long does this premium reduction last?

The 65% premium reduction can last for up to 9 months. However, it will end earlier if you become eligible for Medicare or another group health plan or you reach the end of your maximum COBRA coverage period.
It is the COBRA participant’s responsibility to notify the COBRA administrator when he or she is eligible for other health coverage. If you continue your COBRA coverage after the premium reduction period, you will be responsible to pay the full amount of the premium.

7) Does this new election period affect the length of my COBRA eligibility?

This special election period does not extend the period of COBRA continuation coverage beyond the original maximum period (18 months or 36 months for HMO participants). If an eligible individual who lost coverage prior to February 17, 2009, chooses to enroll in COBRA with the ARRA subsidy, his/her COBRA eligibility period would still generally begin on the 1st of the month after his regular coverage ended.

8) Are there income limits for the premium reduction?

If the amount you earn for the year is more than $125,000 (or $250,000 for married couples filing a joint federal income tax return), you may have to repay all or part of the premium reduction through an increase in your income tax liability for the year.

9) How will I receive 65% the subsidy?

You will not receive a payment. Eligible individuals are responsible for paying only 35% of the COBRA premium for the period of coverage. The remaining 65% of the premium is reimbursed directly to the Getty through a payroll tax credit.

10) What can I do if my former employer denies my application for the COBRA premium subsidy?

If the plan determines that you are not eligible for the premium reduction, you can request review of the denial. The Department of Labor will handle appeals related to private sector employer plans subject to ERISA’s COBRA provisions. The Department of Health and Human Services will handle appeals for Federal, State, and local governmental employees, as well as appeals related to group health insurance coverage provided pursuant to state continuation coverage laws. The Departments are required to make a determination regarding your appeal within 15 business days after receiving your completed application for review.

Appeals to the Department of Labor must be submitted on a U.S. Department of Labor application form. The form will soon be available at www.dol.gov/COBRA and can be completed online or mailed or faxed as indicated in the instructions. If you believe you have been inappropriately denied eligibility for the premium reduction, you may wish to speak with an Employee Benefits Security Administration Benefits Advisor at 1.866.444.3272 before filing this form.

11) Where can I obtain more information?

For more information, please contact the HR Benefits Department at (310) 440-6523 or Benefits@getty.edu.